

SENATE BILL REPORT

SB 6185

As Reported By Senate Committee On:
Government Operations & Elections, January 31, 2008

Title: An act relating to allowing a treasurer discretion to schedule four property tax payments.

Brief Description: Allowing treasurer discretion in property tax payment scheduling.

Sponsors: Senator Fairley.

Brief History:

Committee Activity: Government Operations & Elections: 1/28/08, 1/31/08 [DPS, w/oRec].

SENATE COMMITTEE ON GOVERNMENT OPERATIONS & ELECTIONS

Majority Report: That Substitute Senate Bill No. 6185 be substituted therefor, and the substitute bill do pass.

Signed by Senators Fairley, Chair; Oemig, Vice Chair; Roach, Ranking Minority Member; Benton, Kline, McDermott and Pridemore.

Minority Report: That it be referred without recommendation.

Signed by Senator Swecker.

Staff: Khalia Gibson (786-7460)

Background: Every county in Washington has an elected county treasurer except King County, which has an appointed position. The county treasurer is responsible for collecting real and personal property taxes, among other duties.

When the total amount of tax or special assessments on personal or real property is fifty dollars or more, and one-half of such tax is paid on or before the thirtieth day of April, the remainder is due and payable on or before the thirty-first day of October and is delinquent after that date.

Summary of Bill (Recommended Substitute): A county legislative authority has discretion to authorize property tax payments by electronic funds transfer. The payments may be made on a monthly, quarterly, semiannual, or other periodic basis that the county legislative authority deems proper.

When payments are accepted before the statutory due dates, interest earned must be paid to a special interest account in the custody of the county treasurer. Funds from this account are only to be used for the payment of expenses incurred in establishing and administering the prepayment system.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

EFFECT OF CHANGES MADE BY GOVERNMENT OPERATIONS & ELECTIONS COMMITTEE (Recommended Substitute): The legislative county authority has the discretion to authorize periodic property tax payments by electronic funds transfer.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Original Bill: PRO: This bill provides a more affordable means to pay property taxes. The Legislature is accountable to the public, and this bill is in the public's best interest.

CON: A county ordinance should not be able to override state law. We must ensure that this does not become a mandate and remains discretionary. If more than two payments were allowed per year, computer systems would have to be changed to accommodate the extra payments. There is a major concern with the administrative complexity of allowing more than two payments as an option. Small counties focus all of their staff on collecting payments twice per year already, allowing more payments would require more employee time to process them. An alternative is to make the option only available to people who do not have a mortgage or other lien on their property.

Persons Testifying: PRO: Senator Joseph Zarelli.

CON: Rose Bowman, Lewis County Treasurer; Gary Gardner, Boeing Employees' Credit Union; Brad Tower, Community Bankers of Washington.